FILE COPY

Office-Supreme Court, U.S.
FILED
MAY 6 1960
JAMES R. BROWNING, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1959

No. 911

JONES & LAUGHLIN STEEL CORPORATION, *Petitioner*

v.

HARDINGE COMPANY, INCORPORATED, *Respondent*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

DAVIDSON C. MILLER
Munsey Building
Washington 4, D. C.
Attorney for Petitioner

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

INDEX

	Page
Petition	1
Opinions Below	1
Jurisdiction	2
Questions Presented for Review	2
Statutes Involved	4
Statement of the Case	4
Basis for Federal Jurisdiction in the Court of First Instance	5
Reasons for Granting the Writ	5
Conclusion	8

Table of Cases

Pennsylvania Crusher Co. et al v. Bethlehem Steel Co. et al., 193 F. 2d 445 (CCA 3)	6
Kobe, Inc., et al. v. Dempsey Pump Co. et al., 97 F. Supp. 342 (DC ND Okla.) Affirmed CCA 10, 198 F. 2d 416, Cert. denied 344 U.S. 837	6
Seismograph Service Corp. v. Offshore Raydist, Inc., 263 F. 2d 5 (CCA 5)	6
E. V. Prentice Co. v. Associated Plywood Mills, Inc., 113 F. Supp. 182 (DC D. Ore.)	6

Miscellaneous

35 U.S.C. § 285	2, 4
Report No. 1587, 79th Congress, 2d Session, House of Rep.	6
Report No. 1503, 79th Congress, 2d Session, Senate	6
Extractions from correspondence file of Senate Judiciary Committee re H.R. 5311	6
H.R. 5311 showing Senate amendments, Report No. 1503	6

Appendix

28 U.S.C. 1254 (1)	1a
35 U.S.C. § 292	1a
15 U.S.C. § 13(a)	2a
Opinion of the Court of Appeals	3a

IN THE

Supreme Court of the United States

OCTOBER TERM, 1959

No.

JONES & LAUGHLIN STEEL CORPORATION, *Petitioner*

v.

HARDINGE COMPANY, INCORPORATED, *Respondent*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Jones and Laughlin Steel Corporation (defendant and appellant below) petitions this Court for a Writ of Certiorari to review the judgment of the United States Court of Appeals for the Third Circuit in the matter here involved.

OPINIONS BELOW

The decision of the United States District Court for the Western District of Pennsylvania is not supported by an opinion. The decision of the United States

Court of Appeals for the Third Circuit is reported in 124 U.S.P.Q. 323 and 275 Fed. 2d 37.

JURISDICTION

The judgment of the Court of Appeals was dated and entered on February 15, 1960.

The jurisdiction of this Court is invoked under 28 U.S.C. Section 1254(1).

QUESTIONS PRESENTED FOR REVIEW

The issue here relates primarily to supervision of the actions of a District Court in the interpretation of a penalty statute by which the District Court has (1) the duty to determine the applicability of the statute to the case before it, and, if the statute is found to apply, (2) the discretionary power to determine the scope of the penalty under that statute. The particular statute is 35 U.S.C. Section 285 which reads:

> "The court in exceptional cases may award reasonable attorney fees to the prevailing party."

Abuse of discretion is not here in issue. Instead, Petitioner seeks a review of the refusal of the District Court to reach that finding as to the status of this case under the statute (35 U.S.C. § 285) which is necessarily prerequisite to the exercise of discretion.

The District Court and the Court of Appeals have treated the matter of attorneys' fees as of negligible importance and certainly one would not petition the highest court in the land if the issue were merely to determine whether one single litigant, among thousands, should get his attorneys' fees. On the other hand, if the decision not to award attorneys' fees is rationalized on a basis which includes placing extra-

judicial material on a higher probative plane than admissions against interest and condoning business practices contrary to the public policy of the United States, then issues of national concern are involved. These may be phrased as follows:

1. Shall our Government grant patents with the right to bring suit which the grant necessarily entails and then permit that privilege to be abused by those who do not respect the public policies of these United States without even acknowledging the existence of the section of the patent statute which Congress provided to protect against just such eventualities?

2. May a United States District Court ignore admissions against interest establishing a *prima facie* case of improper use of the patent monopoly, violation of the Robinson-Patman Act, and violation of the patent marking statutes to avoid defining a case as "exceptional" under 35 U.S.C. § 285 where the effect is to prevent the application of the penalty intended by Congress in the passage of 35 U.S.C. § 285 under the very circumstances envisaged in the legislative intent?

3. May a United States District Court in order to expedite the Court's business encourage a voluntary dismissal by ignoring evidence before it in favor of extrajudicial material where the effect is to establish a precedent condoning misuse of patents, mismarking under 35 U.S.C. § 292, price discrimination under 15 U.S.C. § 13(a), and misuse of the process of the courts?

STATUTES INVOLVED

The statutory provisions involved are Sections 285 and 292 of Title 35 and Section 13(a) of Title 15, all being printed in the Appendix, *infra*, pages 1a and 2a, except 35 U.S.C. § 285 which reads as follows:

> "The court in exceptional cases may award reasonable attorney fees to the prevailing party."

STATEMENT OF THE CASE

In the present case, the defendant was sued for patent infringement. Defendant's proofs on discovery include admitted acts of the plaintiff-patentee which *prima facie* appear to constitute misuse of patents, violation of Federal statutes, and abuse of the process of a United States District Court. Defendant contended that these issues were such that patentee-plaintiff was guilty of unclean hands and had no status in a court of equity, and a motion for summary judgment so alleging was brought. That motion was denied on the ground that the admissions upon which defendant relied might be explainable by plaintiff. Thereupon a motion for severance was filed in order that the issues raised in the motion for summary judgment could be separately tried. This motion was granted. Pretrial proceedings were had in preparation for the trial on the issues of misuse and misconduct and heavy burdens were imposed by the Court on the plaintiff by reason of its admissions. At this stage plaintiff moved to dismiss under F.R.C.P. 41(a)(2). Defendant pointed to the existence of its counterclaim filed concurrently with defendant's answer on the basis of which the trial should continue despite the dismissal under F.R.C.P. 41(a)(2). The Court granted plaintiff's motion over objection and dismissed defendant's

counterclaim as moot. A motion of defendant for attorneys' fees under 35 U.S.C. § 285 was presented before final judgment and summarily denied without opportunity for hearing.

The Court of Appeals held that the award of attorneys' fees is "necessarily one based upon the court's discretion and its consideration of what constitutes an exceptional case under the statute cited." It then held that the exercise of discretion against the award was not one which the Court could say constituted an abuse of that discretion.

BASIS FOR FEDERAL JURISDICTION IN THE COURT OF FIRST INSTANCE

This case arose under the United States Code, Title 35.

REASONS FOR GRANTING THE WRIT

In the pretrial order there were established through admissions of the officers of plaintiff a *prima facie* case of misuse of patents, a *prima facie* violation of the Robinson-Patman Act, 15 U.S.C. 13(a), and a *prima facie* violation of the patent marking statute, 35 U.S.C. 292, as well as certain conflicting and unexplained statements under oath by the plaintiff-patentee which, unexplained, could amount to either a fraud on the Patent Office, a fraud on the Federal Court, or both. The plaintiff flooded the record with all sorts of purely extrajudicial expressions as to what it could prove at the trial but, in actual fact, plaintiff dismissed before it had offered any evidence. Thus, the record stands with no formally acceptable evidence therein to rebut the *prima facie* case made out solely by admissions against interest of the plaintiff. This is the state of